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PRESIDENT GUEILER DELIVERS YEAREND MESSAGE

PY010045 Buenos Aires LATIN in Spanish 0019 GMT 1 Jan 80 PY

[Excerpts] La Paz, 31 Dec (LATIN)--In a message broadcast to the entire country, Bolivian President Lidia Gueiler Tejada announced tonight that her country's maritime problem, which is causing a dispute with neighboring Chile, will be submitted to the United Nations.

The president read her yearend message over the national radio and television network. Gueiler said tonight that "Bolivia will opportunely submit to the United Nations its request that that organization recognize Bolivia's right to the sea, which is supported by the OAS and the countries that are members of the nonalined movement," as well as by the Andean Group.

"My government's international policy will basically tend toward the consolidation of national independence and the reaffirmation of Bolivia's undeniable right to its own sovereign outlet to the Pacific Ocean," Gueiler stated.

After terming "inconsiderate and unjust" the attitude of the United States in resolving to place 35,000 tons of tin on the market, the chief of state maintained that from Government House "she would make a greater effort to achieve the organization of an association of tin-producing countries as an efficient instrument for the setting of just and profitable prices."

"Our international policy will be, as it has always been, at the service of American fraternity," Gueiler stated. She proclaimed that "we will persist in our purpose of integration within the framework of the Andean Pact and with special attention to our relations with Argentina, Brazil and other nieghboring countries."

Gueiler also mentioned the support that the Bolivan democratic process received from American countries and from other regions at the time of the military takeover by Col Alberto Natusch Busch on 1 November 1979.

"Solidarity with and international support for the Bolivan democratic process grow stronger daily, and we can be sure that any attempt to interrupt that process will be condemned to a total economic and political isolation," Gueiler maintained.

She stressed her government's respect for "complete and absolute freedom of the press and information" because "the Bolivan people must be allowed to learn what is being proposed to it by the various political trends."

FSB PROTESTS ARREST OF PARTY MEMBERS

PY311103 La Paz PRESENCIA in Spanish 22 Dec 79 p 12 PY

[Excerpts] The Bolivian Socialist Falange [FSB] has challenged the government to prove the accusations made by the interior minister that the party was preparing a subversive coup and was executing a terrorist plan in the country. The challenge was launched by Jaime Ponce Caballero, member of the Central Committee of the party, in statements he made yesterday.

The FSB leader asserted that the unification of his party has worried the government "and those who are behind it," saying that "the power behind the throne" does not forget its 12-year systematic repression of the FSB and the creation of concentration camps for the first time in Bolivia. "This is its Christmas gift to the FSB," he said and asserted that his party has been one of those struggling for the establishment of the democratic process and its continuation after many years in which the country had not known a free democratic interplay.

He stated that under such circumstances "the FSB could not think of subversive coups" and that "only the incapacity of the government to lead the country and face the present crisis with effective economic measures" has caused it to seek an "expiatory victim."

He said: "We propose a national policy which should acquire continental and universal implications." He added that the economic measures have not been given a due overall study which "has led to too high a sacrifice for the people and which will lead to an inflationary process in a short time."

FSB leaders have provided a list of party members who have been detained. They are: Mauro Cuellar Caballero, Juan Alvarez Tintaya, Ignacio Mamani, Victor Vega, Silvestre Poma, Walter Chavez, Fermin Alberto Valdez, Juan Arteaga and Oscar Guitierrez Roca. According to the report, the two last mentioned were arrested yesterday, and the homes of several FSB members were raided.

Presents Habeas Corpus Appeal

PY311104 La Paz PRESENCIA in Spanish 24 Dec 79 p 3 PY

[Excerpts] The Bolivian Socialist Falange [FSB], represented by its leader Augusto Mendizabal Moya, has made a habeas corpus appeal to the superior district court for the political detainees who are members of that party and who were charged by the interior minister as involved in a subversive coup.

In the preamble of the appeal the FSB says that Mendizabal, Senator Salomon Aguilera and Deputies Mario Aguilar Zenteno and Roberto Freire went to the interior minister asking to talk with the detainees, but that their request was refused by the under secretary of the ministry in violation of Article 16 of the constitution, which stipulates the innocence of the accused until guilt is proven, the inviolable right of defense and the right of detained persons to be assisted by an attorney.

Other persons were detained between Friday night and yesterday in connection with the subversive coup reported by the Interior Ministry and attributed to the FSB and a sector of the Nationalist Democratic Action [ADN]. No official list of those detained has been given, but FSB Deputy Roberto Freire reported that among "many others who have been detained" he could name party members Demetrio Rojas, Juan Otalora, Walter Cardozo and Johnny Ortega who join nine others already arrested.

PRESIDENT MENDEZ APPOINTS NEW LABOR MINISTER

PA252231 Madrid EFE in Spanish 2120 GMT 25 Dec 79 PA

[Excerpt] Montevideo, 25 Dec (EFE)--Carlos Maeso Rodriques, a young university professor without any previous political experience, has been appointed labor and social security minister, it was officially announced today. Maeso will replace Jose E. Echeverry Stirling, who resigned last week and will be appointed ambassador to France shortly. According to an official communique, President Aparicio Mendez and the board of armed forces commanders in chief have appointed 40-year-old lawyer Carlos Maeso Rodriquez to the post.

ECONOMY MINISTER REVIEWS ECONOMIC SITUATION

PY282100 Paris AFP in Spanish 1403 GMT 28 Dec 79 PY

[Text] Montevideo, 28 Dec (AFP)--Economy and Finance Minister Valentin Arismendi predicted that inflation, which reached 83 percent this year, will be reduced in 1980, but that it will still have an important effect on the Uruguayan economy.

In comments to the press regarding predictions for next year, he added that the inflation affecting the industrialized countries will greatly influence the Uruguayan economy because it will elevate the prices of imported products and raw materials.

Arismendi predicted that as inflation increases in the industrialized countries and oil prices are raised, the price of gold will continue to rise and that it will reach $600 an ounce by March. He also said that the rise in the price of gold benefits Uruguay because of the large reserves the country has.

He said that in spite of the acute inflation, Uruguay had a fiscal surplus in 1979 and at the same time reached a growth close to 8 percent.

He also announced the implementation of measures to eradicate commercial practices which "are against the free market" and by which minimum prices are fixed, preventing consumers from looking for better prices in a competitive market based on demand.

The minister emphasized that the private sector has given employees and workers wage increases far above the minimum approved by the government.

He said, however, that there is no doubt that real salary suffered a reduction which is very difficult to counteract when, for example, the cost of oil purchased by Uruguay increased almost 100 percent, that is, by an additional $100 million a year. Arismendi explained that this negative statistic means that this money was taken from the workers and sent abroad, while the increase in prices of exported products did not compensate for the price of oil. This explains the inevitable fall of real salaries, because had an effort been made to maintain them, employment would have been affected.

In conclusion, he said that wage guidelines during 1980 will be more flexible, that the policy of daily minievaluations announced in advance will continue and that businessmen will have to be more aggressive than ever in finding new markets abroad, particularly in Asia and Africa.

PRESIDENT DELIVERS YEAREND SPEECH TO NATION

PA312225 Caracas Domestic Service in Spanish 1618 GMT 31 Dec 79 PA

[Yearend Message by Venezuelan President Luis Herrera Campins at National Congress--live]

[Excerpts] Dear friends: At midnight today, a year and a decade respectively will end and begin. Let us prepare to receive them with optimism and confidence. The decade we are leaving behind was fraught with maladjustments but had some encouraging events. On such dynamics history is built.

For the world it was the stage for a formidable cry of alarm: the oil crisis. This emerged after the oil-producing countries became free from their traditional tutelage in late 1973. Since then, international relations have developed along new lines. The developing world has resolutely assumed its transcendent and active role. The oil-producing countries have stopped helping others get rich under the paltry rates of compensation previously in effect and fortunately have seriously reflected on the need to give new dimensions to energy consumption so hydrocarbons will be used rationally until new and alternate energy sources are obtained.

Once more Christian democracy is in charge of guiding Venezuela's policies at the inception of a decade. In December 1978 I received a clear mandate to serve the country with a commitment I remember and express every day without prompting.

This program presupposes a great display of effort, will and courage because--within the true concept of governing for all--my basic commitment is to the poor. Sister Theresa, the latest winner of the Nobel Peace Prize, said recently the poor are the hope of mankind.

In a world full of tensions, we have developed a foreign policy which is inspired by the integration principles of our liberating forefather, Simon Bolivar. My government has resolutely contributed to the transformation of the subregional Andean Pact into a powerful democratic entity, on both the continental and global levels. Through the path of solidarity we will achieve much more promptly our initial industrial goals. These have already expanded the scope of our permanent and constructive relationship. At the same time progress has been made in the institutional field through the Andean Court of Justice, the Andean Parliament and the Andean Council of Foreign Ministers.

Spain's admission as observer at the meeting of Andean foreign ministers, the pact's negotiations with the European communities and Brazil and the signing of the general memorandum of understanding with the United States are examples of negotiations between the developing countries and the industrial powers and are evidence of real steps toward a new international order.

We have upheld the thesis of institutionalization of freedom and democracy on the continent. For obvious historical and geographical resons, we have attached priority to relations with the emerging Caribbean nations and also to a sincere rapprochement with their peoples and governments. We respect every country's right to choose its own system of government freely but we are entitled and dutybound to warn against the area becoming a stage of political and ideological confrontation capable of endangering its unity and identity.

We have paid close attention to the explosive Central American political process, hoping for a democratic outcome there. We supported the actions aimed at liquidating Nicaragua's dynastic dictatorship and have always been prepared to cooperate so the new regime can lay the groundwork for freedom and democracy in a country tired of oppression. The attitude adopted by Venezuela and the other members of the Andean Pact when the delicate Nicaraguan situation was raised at the OAS is still remembered fondly and with admiration.

We have maintained our traditional cordial ties with the United States and are now preparing--after talks in Caracas and Washington--to sign an overall technological agreement which will be of great interest in regard to our requirements as a developing country.

We will continue our efforts to strengthen our capacity for scientific and technological research. We have created the International Foundation of Advanced Studies on Man and the Environment, the Foundation for Scientific and Technological Development in the (?Zulia) region and the Jose Francisco Torrealba Center for the Research of Tropical Diseases in San Juan de los Morros. Since we appreciate private initiative, we will continue to give full support to the Venezuelan Association for the Advance of Science, and we have promoted the creation of the Jose Gregorio Hernandez Foundation for Science.

We have been trying to organize the economy, a clearly difficult task. We have carried out a policy of austerity in a country used to public and private consumption which previously was constantly encouraged. We have persisted in controlling public spending to try to obtain the greatest possible social productivity. These are difficult tasks inside and outside the government.

We have carried out an intense fight against administrative corruption. We have promised to undertake a great effort to eradicate it. The 1,000 heads of that hydra can only be cut off simultaneously so they will not reappear. This can only be achieved with an ethical formation which shapes consciences and regulates the conduct of an honest man. This is the reason for my insistence on the righteousness of principles, the validity of values and the affirmation of the (?transcendent). This is the root of our true spiritual national identity.

The government does not cover up or tolerate guilt and explicit or tacit complicity. When the proper entities have begun investigations and have requested our cooperation, they have received our open and clear cooperation. We want decisions to be backed up firmly because we will never promote political retaliation disguised as justice. We have already begun to notice, however, some attitudes of moral laxity on the basis of subtle interpretations perhaps for the purpose of preparing the terrain for the gradual discredit of any sanction. In a true democracy, the members of a serious investigative body have to [word indistinct] the partisan attitude with the personal attitude. Party discipline has its limit in man's conscience. In a true democracy, a man of honor acts according to his conscience.

The most outstanding positive economic event of 1979--although not yet gauged by the news media commentators in all its scope--has been the recovery experienced by the exchange and international reserve situation of the country. We have gone from a huge deficit in our balance of payments in 1978 to a very significant surplus. This has consolidated our economic stability and enabled us to make ambitious and orderly development plans.

Oil activity has been intense, nationally and internationally. The normal operations have been [words indistinct] in the nationalized industry. Exploration continues at a fast pace with very encouraging results in the cretaceous strata of Lake Maracaibo and on the continental shelf. The change in refining patterns has continued with success. We have been negotiating new marketing contracts and they will be completed on very different foundations from the [words indistinct]. We have been making efforts to strengthen bilateral relations with the OPEC member countries in line with our government program and through the incorporation of oil experts into our embassies in the countries in question and through the contacts the energy and mines minister had in his constant trips.

We have proposed new initiatives and ideas such as the creation of an OPEC news agency. We have insisted on the need for OPEC to cooperate more with the developing countries and successfully proposed the [word indistinct] to the OPEC special fund by $800 million at the June meeting and $1.6 million at the Caracas conference.

Regarding oil prices, we have doubled them since I assumed power, by going from less than $13 per barrel to more than $26 for the market crude.

Straightening the economy has demanded analysis and sharp initiatives, willingness to take risks, disciplined work, austerity in public expenditures--which went uncontrolled before--and above all else, courage. For this reason I am pleased to pay homage to the six ministers and the heads of autonomous entities more closely linked to the economic process. I have always counted on the cooperation and support of the country's armed forces which have understood the guidelines of my policy.

It has been my turn to place in effect the law and the regulations universalizing military service, thus ending historical recruiting injustices and bringing valuable youths of various cultural levels into the ranks of the armed forces who will serve the fatherland from now on.

The Defense Ministry--within its duties to safeguard the country's integrity and help in its development under the armed forces regulations--is viewing the possibility of creating a center of advanced studies to be primarily devoted to scientific and technical research and to the training of specialized military and civilian personnel at the highest national and international levels demanded by today's world.

Dear friends: The government is acting with justified optimism. We are aware of the strong effort which must be made by the government and the people to have a better 1980. We know of our deficiencies and errors. We are going to correct them to speed up our march toward the full development of a nation destined to a great future. With great affection and sincerity I wish all Venezuelans without exception a happy and prosperous 1980.

NEW LAW INCREASES SALARIES BY 5-30 PERCENT

PA011922 Paris AFP in Spanish 1536 GMT 1 Jan 80 PA

[Text] Caracas, 1 Jan (AFP)--The new law granting an across-the-board salary increase went into effect today. It was approved by Congress to offset the increase in the cost of living.

The law provides for increases ranging between 5 and 30 percent depending on the current level of salaries and wages.

According to a report prepared by a team of economists appointed by the Confederation of Workers of Venezuela, the enforcement of the law will probably result in an increase of some 12 billion bolivares in basic salaries and wages for the private sector and an increase in labor benefits of 18 percent over the increase in basic remunerations. This results in an overall increase of 14.16 billion bolivares ($3.29 million).

SENATOR DEMANDS IMMEDIATE RELEASE OF HOSTAGES IN TEHRAN

PA291418 Madrid EFE in Spanish 0203 GMT 29 Dec 79 PA

[Text] Mexico City, 28 Dec (EFE)--Mexico has demanded the immediate release of the hostages at the U.S. Embassy in Tehran, according to a Senate spokesman here today.

The demand was made in a message from Mexican Senate Chairman Joaquin Gamboa Pascoe to the World Interparliamentary Union (IUM).

The message notes that "the holding of the U.S. Embassy personnel in Tehran as hostages constitutes a serious violation of human rights and of the essential rules of international law."

Likewise, Gamboa Pascoe exhorted the interparliamentary authorities to urge the Iranian Government to release the U.S. citizens being held at the diplomatic mission.

The Mexican legislator added that while the hostages' captivity continues, they should be allowed to be visited by observers from other countries and "recognized" international organizations, at least for humanitarian reasons.

PRESIDENT COMMENTS ON HIGHER OIL PRICE, SHAH

PA290034 Madrid EFE in Spanish 0312 GMT 28 Dec 79 PA

[Text] Mexico, 27 Dec (EFE)--President Jose Lopez Portillo announced today that the price of Mexico's crude oil will be "substantially" increased as of January 1980. According to the president, the price of a barrel of Mexican crude oil will be substantially higher than the present $24.

He explained that Mexican Petroleum and its clients are negotiating the new price, noting that it would be wrong not to increase the price in a world where confusion prevails.

According to Lopez Portillo, Mexico must raise the price of its oil because otherwise "it would look as if we wanted to be OPEC's scabs" and this, he said, is "very far removed from our intentions." He added that it "would not be fair" to deprive Mexico "of legitimate revenues at this time."

Regarding the deposed shah of Iran, the president said that by not receiving him again Mexico has put into practice the same principles the United States put into practice.

Lopez Portillo admitted that Mohammad Reza Pahlavi visited him in his house in Los Pinos to tell him about his illness and about his desire to return to Mexico after his medical treatment in New York. "I did not promise him anything," he affirmed. "I only told him: As long as you have 6-month a tourist visa, you can return," the president indicated. He then denied that the shah had made a proposal to invest in Mexico, adding that his money is invested in the United States. The president also "congratulated" Panama for "exercising its sovereignty" and receiving the shah.

On another subject, Lopez Portillo said that 1980 may be the platform for Mexico's true economic "breakthrough" and that efforts will be made in that period to keep inflation at between 18 and 20 percent and economic growth at 8 percent.

He also said that Mexico has not yet decided to join GATT, but that if it did, relations with the United States would have to be redefined.

SUBSTANTIAL INCREASE IN PROVEN OIL RESERVES REPORTED

PA270356 Paris AFP in Spanish 2122 GMT 26 Dec 79 PA

[Text] Mexico City, 26 Dec (AFP)--The discovery of new oil deposits and the confirmation of the potential of other deposits already discovered indicate a substantial increase in Mexico's proven reserves next year, according to data released today.

In Tabasco, located in southern Mexico, Mexican Petroleum (PEMEX) corroborated the existence of new fields with substantial potential, according to the preliminary exploration report. However, the report does not give a precise estimate of the number of barrels the fields may produce daily when extraction begins. A gasfield was also discovered in the State of Coahuila, in the north. It will produce 16 million cubic feet of gas and 1,000 barrels of oil a day.

Moreover, the estimated potential of the oil deposit in the sea off Campeche, which according to the last official report was 7 billion barrels, has jumped to 10 billion barrels as a result of the new exploration.

At the same time, PEMEX has learned that exploration in the sea off Cortes, in the north, has been highly positive and encouraging. The data obtained from the work performed in 1979 is kept in strict confidence, however. Nevertheless, it can be stated that proven reserves will increase 20 percent. They now officially stand at 45.8 billion barrels. It was learned that the figure will be officially anncunced before the year's end along with the oil price that will be in effect during the first quarter of 1980.

PEMEX Confirms Reserve Figures

PA312316 Paris AFP in Spanish 1825 GMT 31 Dec 79 PA

[Text] Mexico City, 31 Dec (AFP)--The state-owned Mexican Petroleum (PEMEX) enterprise today confirmed the amount of Mexico's proven, probable and potential petroleum reserves. According to PEMEX, Mexico's current proven reserves amount to 45.8 billion barrels of petroleum. The volume of its probable reserves is 45 billion barrels. PEMEX indicated that its potential reserves in which the probable and the proven reserves have been included amount to 200 billion barrels. The figures confirmed today--certified by the Mexican Petroleum Institute--are those given by Mexican President Jose Lopez Portillo in his third state of the nation report on 1 September.

GOVERNMENT APPROVES MINIMUM SALARY INCREASES

PA010312 Buenos Aires LATIN in Spanish 2236 GMT 31 Dec 79 PA

[Text] Mexico City, 31 Dec (LATIN)--According to the Minimum Salary Commission, the government approved a 21.5-percent increase in the average minimum salary for the country which will become effective tomorrow, 1 January. The increase virtually eliminated the difference between rural and urban salaries, as it set the average minimum salary between 135 and 130 pesos ($5.86 and $5.65) for the city and the country respectively. The minimum salary for this capital will be increased by 27 more pesos ($1.16) per day. It went from 136 pesos ($5.84) to 163 pesos ($7). The highest minimum salary in the urban areas for 1980 will be that of northern Baja California, in western Mexico, which will be 180 pesos ($7.74) per day. The lowest will be 90 pesos ($3.87) per day for the Indian regions in the middle of the country (Queretaro) and in Oaxaca and Chiapas in southeast Mexico.

The increase is also aimed at compensating for the increase in the inflation rate which according to official figures ended 1979 at 20 percent.

COLUMNIST SEES SHAH'S ASYLUM AS RIGHTWING ESCALATION

PA292006 Panama City CRITICA in Spanish 28 Dec 79 pp 39, 18 PA

["Pisando Callos" column by Luis Carlos Jimenez: "Thoughts on the Current Sociopolitical Movement"]

[Text] In the last few months, our country's political life has been marked by the continuation of the class struggle. At times it has seemed possible that the most ideologically backward groups on the scene might regain power.

We saw the just [regarding salaries] teachers' struggle that drew the complete support of the people dissatisfied with the many economic and political contradictions. The national bourgeoisie had been enjoying the concessions and the masses were desperate. In this framework, confusing forces converged around the teachers' movement: the money of bourgeois groups not in power, the most ideologically backward clergy and a faction of the left. This leftist faction believes it is all right to make alliances with all groups opposing the government. They use this strategy to help the working class take the reigns of political power. That movement resulted in a pay raise and the repeal of educational reform. The months during which this social struggle occurred were an undeniably historic experience; never before in Panama had the groups ideologically opposed to the advancement of the people provoked such a fanatical anticommunist campaign in such a short time. Some incredible things were said during this time. Time will tell what ideological and political effect this movement will have on the working class struggle and how it will be used by the proimperialist bourgeoisie.

Concurrent with this movement, union groups thought it appropriate to pursue their unceasing struggle for the repeal of Law 95 which hangs like a noose around the necks of the working class. President Dr Aristides Royo has publicly opposed its repeal because it is not on his platform.

This should help the left unite on that specific point. It could force a political and ideological confrontation with those groups in and out of the government not wanting the repeal of Law 95. This is an historic duty of the revolutionaries--together with struggling alongside the peasantry for an antifeudal and antioligarchic land reform.

From the viewpoint of the dialectics of the government's international policy, it must be noted that the prestige it gained from helping overthrow Somoza has been marred by the presence in our country of such a heinous and proimperialist figure as Shah Reza Pahlavi. The absurd ideas that have been bandied about to justify his asylum--"human rights," "upholding the international right of asylum" or contributing "to peace" by reducing the possibility of a war between the United States and Iran--are frankly an affront to national dignity. Therefore, it is an inescapable duty for us revolutionaries to oppose having that puppet of Washington's imperialism soil the memory of our martyrs. They shed their blood in the hard fight for a country free of pressure and Yankee interference in our policy. Dr Royo and his advisers should take that into account because it should be the moral position of every honest Panamanian. Under no circumstances should one compromise the principles and elementary laws of political sincerity and respect for progressive people and the universal conscience which repudiates that horrible tyrant. The shah would blend in perfectly in Chile, Paraguay, Uruguay, Argentina or Haiti, but never in this glorious homeland of Victoriano Lorenzo.

Therefore, I think it is time for the deepest revolutionary meditation. We should ask ourselves: Are we experiencing a social setback that benefits the most reactionary national forces to the detriment of the people's movement? If this is the case, then the left must be prepared. Time will tell.

PAPER WARNS OF POSSIBLE IRANIAN REPRISALS

PA312043 Panama City MATUTINO in Spanish 31 Dec 79 p 4-a PA

[Harmodio Icaza article: "Panama in the Face of the Iranian Crisis"]

[Text] All government actions have consequences. Most of the time these actions benefit the majority and harm a minority, and there are always arguments for and against them. Some government decisions do not affect our daily life but do affect everybody equally. [sentence as published] This is the case of the asylum given to the former shah of Iran.

To be able to pass judgment on the Panamanian Government's action, it is necessary to be objective and unaffected by emotions or banners. Throughout our history, Panama has always counted on the United States as an ally. Even though our relations have not been completely harmonious, it is fair to admit that the powerful country has generally been a good friend to this small republic.

Here arises the case of the hostages in Iran. The lives of 50 persons are in danger as a result of the irresponsible action of some students who fanatically and blindly follow an illiterate person. The students' action is in violation of all international law and diplomatic immunity principles. They are also violating principles that call for respect for the lives of hostages. The United States, thanks to the calm of its President, is acting prudently and with exemplary moderation.

To ease the tension, it was necessary for the shah to leave U.S. territory. As a result of a personal effort by President Carter, our country has accepted the former shah unconditionally.

This is a beautiful example of Panamanian friendship toward a friendly country. Their many rescue missions during our moments of pain and emergency have also been beautiful examples of U.S. friendship. Panama's action is worthiest because it is unconditional.

This sole action of ours cannot but win for us the admiration and respect of the whole civilized world while strengthening the ties of friendship that link us to the United States. This is despite the fact that the former shah is not exactly a model of respect for human rights. However, Panama is contributing to saving the lives of 50 human beings who have nothing to do with the differences between Iran and the United States. It just so happened that they were inside the embassy at the moment of the attack. This is the positive aspect of the Panamanian action.

On the other hand, one can see the unfavorable consequences of our action. The asylum given to the former shah logically arouses the anger of the Iranians. Blinded by their fanaticism, they will initiate actions against us as irresponsible as the seizing of the U.S. Embassy and the hostages.

Therefore, it would not be unwise to adopt certain measures to prevent such actions by Khomeyni fanatics. In addition, it would be wise to increase security measures to guarantee the physical well-being of the refugee..

Our embassies must be cautioned so their personnel do not become an easy target for Iranian commandos. Air Panama and Copa airplanes, delegations traveling abroad on official business, ships flying the Panamanian flag and anything presenting a target for reprisal must be alerted. It is better to take precautions now than to be sorry later.

The Iranian crisis will eventually be solved. We hope this will occur peacefully. When it happens, we all will evaluate the Panamanian gesture toward a friendly country and the grand action of having contributed to saving the lives of 50 human beings.

COSTA RICA

TERRORISTS ATTACK RADIO STATION TRANSMITTER

PA020252 Paris AFP in Spanish 0037 GMT 2 Jan 80 PA

[Text] San Jose, 1 Jan (AFP)--The Costa Rican radio station Radio Noticias del Continente has reported a terrorist attack against its transmitter. According to a communique sent by the station to AFP, during the night of 31 December to 1 January "a perfectly organized commando group opened fire against its installations located in Grecia, on the outskirts of San Jose, and wounded the operator on duty."

The station reported that apparently four youths participated in the barbaric attack and that they used weapons which cannot be obtained in the country. Radio Noticias del Continente is a shortwave broadcasting station which beams some of its broadcasts to the southern cone of Latin America. It has been accused of being subversive by the business sector, which has asked the government to close it.

In its communique the station said that the attack was only the latest incident of a campaign organized abroad against our broadcasting station, freedom of the press and the exemplary Costa Rican democracy. It added that this act of vandalism makes it clear who is threatening the traditional peace of our country.

Radio Noticias reaffirmed that in spite of the attack it will continue to promote democracy and its policy of objective and true information, following the example of Pedro Joaquin Chamorro, who became a Central American martyr for the freedom of the press. Station officials reported that no threats had been received prior to the attack but that recently a group of unidentified individuals had tried to attack its main offices in San Jose. Last night's attack also endangered the lives of a station technician, his wife and their little girl, who were also in the building.

EL SALVADOR

FURTHER REPORTAGE ON KIDNAPING OF AMBASSADOR DUNN

Letters Received

PA311418 Paris AFP in Spanish 1343 GMT 31 Dec 79 PA

[Text] San Salvador, 31 Dec (AFP)--The South African ambassador to El Salvador, who was kidnaped on 28 November by the Marxist Popular Liberation Forces (FPL), is still alive, according to letters sent to his wife and a friend today.

Both letters were received by the Salvadoran radio station YSU and were written in Ambassador Archibald Dunn's handwriting.

More on Letters

PA311539 Paris AFP in Spanish 1450 GMT 31 Dec 79 PA

[Text] San Salvador, 31 Dec (AFP)--Archibald Dunn, the South African ambassador to El Salvador who was kidnaped on 28 November by the Marxist Popular Liberation Forces (FPL), is still alive. Two letters received today--one by his wife and another by a friend--are evidence of this.

There had been concern over the fate of the diplomat after the 27 December deadline passed without the FPL's demands being satisfied. The demands included the publication of two communiques--one calling for an insurrection in El Salvador, and the other stating the organization's solidarity with the antiracist struggle in South Africa. The FPL had warned that the diplomat would be executed if its demands were not met.

The two letters received today by the Salvadoran radio station ESU were handwritten by the ambassador. In the letter to his wife he states: "Thes gentlemen from the FPL have allowed me to write you to wish you a good year and to state my wish to be together with my family."

In the letter addressed to his friend Ernesto Ribas Gallont, the South African diplomat wrote that his FPL friends want clarification on some points of the negotiations. I am asking you to get in touch with the persons appointed by the embassy.

It has been recalled that the negotiations between the kidnappers and Johannes Volschenk, the emissary of the South African Government, have been kept completely secret.

The FPL has also demanded that their communiques be published in 102 countries before 15 January.

Industrialist To Mediate

PA311908 Panama City ACAN in Spanish 1830 GMT 31 Dec 79 PA

[Text] San Salvador, 31 Dec (ACAN-EFE)--Salvadoran industrialist Ernesto Rivas Gallont today agreed to mediate in the case of South African Ambassador Archibald Gardner Dunn. Dunn has been held by the leftist Popular Liberation Forces (FPL) since 28 November.

This morning, the FPL presented two handwritten letters by Dunn to the El Salvador media. The letters are addressed to his wife, who lives in the United States, and to Rivas Gallont, his personal friend.

In his letter to Rivas, the diplomat asks his friend to establish contact with Pretoria's envoy in the negotiations. He also asks for a woman indentified as Delmi to intercede for his release.

The only condition the FPL has established for freeing Dunn is the publication of two leftist manifestos in 103 [as received] countries. In El Salvador, the deadline for radio, television and press versions of the manifestos expired without the demand being met. In the other countries, the deadline will expire on 14 January 1980.

In a statement to the radio station YSU, Rivas tells the extreme leftist group that he is prepared to mediate and that he expects to receive news from the organization soon. Rivas also told Dunn to trust that everything will come out fine and that God has blessed him and will give him strength. He also referred to Dunn's poor health and to his family's anguish.

STEPS TAKEN TOWARD ABOLISHING CONSTITUTION

PA011819 Panama City ACAN in Spanish 1801 GMT 1 Jan 80 PA

[Text] San Salvador, 1 Jan (ACAN-EFE)--It was reported here today that the political constitution in effect in El Salvador since 1962 could possibly be abolished as a step toward speeding up changes in the country.

Several politicians of the moderate right have been pointing out constitutional "vacuums" in the military insurrection that overthrew Gen Carlos Humberto Romero on 15 October 1979. Romero was accused of corruption and violent actions against the people.

The present rulers have said there is no such "vacuum." However, ACAN-EFE today was informed by official sources that steps are being taken to abolish the political constitution and to call a constituent assembly as soon as possible.

Because of the New Year holiday, the report has not been confirmed by government spokesmen.

LABOR MINISTER VALDES, OTHER OFFICIALS RESIGN

PA312255 Panama City ACAN in Spanish 2113 GMT 31 Dec 79 PA

[Text] San Salvador, 31 Dec (ACAN-EFE)--Labor Minister Gabriel Gallegos Valdes, two under secretaries and two high-ranking officials who are members of the Nationalist Democratic Union [UDN] submitted their resignations from the government cabinet today. Under Secretary of Domestic Economy Julio Linares; Culture, Youth and Sports Under Secretary Antonio Martinez Uribe; Attorney General of the Poor [as received] Alfredo del Transito Monge and Agrarian Transformation Institute President Santiago Ruiz are the names of the others who resigned.

They resigned because the fundamental conditions accepted by both the young military movement and the organizations which are part of the "popular forum" have not been fulfilled by the military sector. They said the meaning of the armed forces proclamation oriented toward the realization of changes has, in practice, been replaced by a repressive policy from the principal military commands.

They said this change of orientation of the process is the result of the predomination of old reactionary military leaders in the armed forces high command who have strong ties with the country's oligarchy and "transnational companies of U.S. orgin, such as ITT." The UDN considers the displacement of the young military leaders who organized the coup against Gen Carlos Humberto Romero's government from the Permanent Council of the armed forces part of these changes.

They said the resignation of the officials who are UDN members "is a rejection of the big stick reform policy which has been implemented." They also believe the resignation signifies the search for popular unity, which is "an indispensable condition to obtain a truly revolutionary government capable of insuring freedom, changes and social justice."

Ungo Supports Resigning Ministers

PA012037 Panama City ACAN in Spanish 1750 GMT 1 Jan 80 PA

[By Rosendo Majano H.]

[Text] San Salvador, 1 Jan (ACAN-EFE)--Guillermo Manuel Ungo, one of the three civilian members of the Salvadoran revolutionary government junta, today expressed full support for the cabinet ministers and other officials who have said their stay in the government depends on the stand of the young military officers.

In statements published this morning, Ungo--who was named to the junta that assumed power in El Salvador on 15 October by the 14 groups comprising the "popular forum"--said he has been aware of the "power vacuum" existing here.

On 28 December, a majority of cabinet ministers and presidents of some autonomous agencies delivered a document to the armed forces Permanent Council (COPEFA) in which they say their stay in the government depends on the fulfillment of several political, social and economic requirements.

For unexplained reasons, one of the points demands the removal [retiro] of Mario Antonio Andino, member of the junta, maintaining that the armed forces General Command must be effectively run by the ruling group.

The Christian Democratic Party (PDC), a member of the "forum," joined those supporting the petitioners today.

Col Adolfo Arnoldo Majano, member of the junta, told ACAN-EFE today that he hopes everything will turn out all right, because the fatherland needs everybody's efforts at present.

Col Francisco Adolfo Castillo, chief of the armed forces General Staff, said yesterday that the ministers' document contains a number of contradictions. He cited "ignorance of legal and constitutional provisions" regarding the functions of the armed forces and the exercise of their General Command as one of the main contradictions.

Castillo said the document will be answered within the next 24 hours anyway. The cabinet ministers and other officials expect a decision from the junta and the army on Wednesday. Otherwise, they will resign from the government.

All political circles agree the situation is delicate.

The labor minister, the economy, culture, youth and sports undersecretaries, the president of the Salvadoran Institute of Agarian Transformation and the attorney general, all of whom are members of the "Nationalist Democratic Union" [UDN], resigned on 31 December. The UDN is one of the bodies comprising the "popular forum." This political organization, which had been participating in the government since 18 October, publicly announced that the decision stems from a number of events in the government which are hindering the implementation of serious changes in the country.

The UDN stressed that it is withdrawing from the government in the interest of national unity. It has strong links with the Salvadoran Communist Party, and the Communist Party's platform has been rejected by the various extreme leftist organizations which are seeking power through arms in this Central American nation.

The next 24 hours will be crucial for El Salvador's political situation.

RESIGNATION OF CIVILIAN JUNTA MEMBERS DENIED

PA011855 Panama City ACAN in Spanish 1832 GMT 1 Jan 80 PA

[Text] San Salvador, 1 Jan (ACAN-EFE)--Rumors about the resignation of the three civilians who, together with two colonels, comprise the revolutionary government junta, were denied at noon today by Guillermo Manuel Ungo. Ungo represents the so-called "popular forum" in the government junta.

Ungo, Roman Mayorga Quiroz and Mario Antonio Andino, together with Cols Adolfo Arnoldo Majano and Jaime Abdul Gutierrez, are currently under pressure from several cabinet ministers and other officials who, without stating their reasons, are demanding Andino's removal and an antioligarchic stand by the young military officers.

The armed forces will reply tomorrow. Whether the ministers and other government aides resign or stay depends on this reply.

Unofficial sources told ACAN-EFE the reply may be satisfactory to the parties, but there are also some points which the armed forces are analyzing very closely. The nature of those points was not revealed, but it is presumed they concern the military commands.

ARMED FORCES CHIEF CRITICIZES CABINET, OTHER OFFICIALS

PA010226 Panama City ACAN in Spanish 2318 GMT 31 Dec 79 PA

[Excerpts] San Salvador, 31 Dec (ACAN-EFE)--The commander of the General Staff of the Salvadoran Armed Forces stressed here today that there are several contradictions in the statement made by the cabinet members and other officials who established conditions for their remaining in office last night.

Col Francisco Adolfo Castillo said at noon today the officials in question have shown that they do not know the laws of the country and the political constitution which designate the position and responsibilities of the armed forces. He noted that Article 23 of the Organic Law on National Defense indicates that the supreme military command is exercised by the president of the republic, in the present case the revolutionary government junta, made up of two colonels and three civilians.

Castillo added that the statement made by the ministers and the other officials will not be answered by the armed forces Permanent Council [Consejo Permanente de las fuerzas armadas--COPEFA] to whom they addressed it, but by the armed forces. He noted that the COPEFA is an army entity and that it does not make final decisions or have absolute responsibility.

He noted that the statement sent by the cabinet members in which they established conditions for remaining in the regime should have been sent to the Defense Ministry and not to COPEFA as they did. He said COPEFA is meeting to analyze the document and it will issue a reply on 2 January, as the ministers were told, or before then if possible.

According to Colonel Castillo, a negative reply could be produced and this would result in the resignation of the ministers in question. Castillo concluded by saying there will be a reply "despite the various contradictions in the ministers' document."

DETAILS OF 1980 NATIONAL BUDGET ANNOUNCED

PA300447 San Salvador LA PRENSA GRAFICA in Spanish 22 Dec 79 pp 5, 86 PA

[Text] "The national budget for 1980 will amount to 1,676,063,760 colones, according to information released yesterday by the Finance Ministry."

In statements to LA PRENSA GRAFICA Finance Minister Ernesto Arbizu gave the above figure and said that it has already been published in yesterday's official newspaper and that it will be in effect starting 1 January 1980. The government newspaper is Number 238, book 265.

Dr Arbizu Mata added that it is the largest budget in the country's history and that the largest allotment was made for the Education Ministry which has 25 percent of the total. The Public Works Ministry is in second place with 10 percent of the budget.

The budget does not include government spending because it is reviewed over the months and additional funds are assigned to those institutions that need them. I want to explain, Arbizu Mata said, that the budget includes allotments for all state institutions and dependencies as well as its investment programs.

Obligations

The budget also included the state's general commitments, payment of the public debt and contributions to the Salvadoran social security institute.

The finance minister explained that the budget for 1979 amounted to 1,151,000,000 and that the budget for the coming year is 15 percent larger.

Minister Ernesto Arbizu Mata concluded by saying that the budget for the coming year includes considerable salary increases for first term judges and second term magistrates. This will allow these officials to have decent salaries according to their rank and will help to prevent the corruption which has so often been mentioned.

The judicial power will also have funds for the purchase of office equipment so that they can operate more efficiently.

GUERRILLAS ATTACK MILITARY POST, KILL GUARDS

PA311718 Paris AFP in Spanish 1657 GMT 31 Dec 79 PA

[Text] San Salvador, 31 Dec (AFP)--Two national guardsmen were killed and another wounded today when guerrillas attacked a military post in Izalco, Sonsonate Department, 65 km southwest of here.

The incident was attributed to the clandestine Armed Forces of National Resistance (FARN), which left red and black banners in the town square after the attack.

The report says several guerrillas were wounded in the attack but managed to escape.

FARN is operating here as the armed branch of the United Popular Action Front (FAPU), one of the activist groups of the extreme left.

NICARAGUA

LEADERS COMMENT ON 'NEW PATTERN' OF RELATIONS WITH U.S.

PA290303 Managua BARRICADA in Spanish 22 Dec 79 p 4 PA

[Text] A new type of relations in which one government respects another has been established between Nicaragua and the United States, Companero Cmdr Victor Tirado told BARRICADA on returning from a 14-day trip to Mexico and the United States.

The trip, which served to explain and report on Nicaraguan developments to the financial and industrial sector of the big U.S. companies, also made them confront their responsibility in having maintained the Somoza dynasty in power for 45 years.

The delegation of the Sandinist National Liberation Front's (FSLN) National Directorate, which included revolutionary Commanders Victor Tirado and Jaime Wheelock and FSLN National Directorate Secretary Rene Nunez, indicated at all times that the most important thing for our country is its sovereignty, its self-determination and its dignity.

Thus, Commander Tirado stressed, negotiations during the trip were conducted with our head held very high, never on our knees, but with the dignity of one country speaking to another.

"I think it was a very wise step and that a new pattern in our relations is now developing. We expect the United States to pay its large debt to us, not a material debt, but a debt incurred by supporting the dictatorship for 45 years. Let them fulfill their commitments to our revolution," companero Tirado said.

The topics discussed during the tour made by the commanders, at the invitation of the governments of Mexico and the United States and of the U.S. private sector's representatives in the Council of the Americas, included the renegotiation of our foreign debt, the obtainment of the $75 million loan proposed by the Carter administration, the credit lines available in the various areas and the establishment of a different type of relations marked by dignity and the respect of sovereignty.

"Our revolution deserves respect and we have made it clear that the past must not be an obstacle to our new relations, which must be characterized by friendship and cooperation. We in turn would cooperate by not bringing up the past, but instead help to erase the previous bad image," Commander Tirado added.

He also said the revolution must be understood, and that in principle it seeks to eliminate and erase the armed invasions and the counterrevolution.

"At no time did we go there to beg for a loan. Our arrival coincided with the loan debates in Congress, but we made it clear we did not care, that the main thing was to maintain relations marked by respect and dignity," the revolutionary commander commented.

At the Council of the Americas, which commemorated its 15th anniversary by especially inviting Commanders Wheelock, Tirado and Nunez to address 250 businessmen representing the biggest U.S. companies, Commander Wheelock expressed similar views about revolutionary dignity and the national sovereignty.

Wheelock discussed certain aspects of the economic reactivation plan for 1980 as well as our country's true emergency situation as a result of the dictatorship, the earthquake and the war. These circumstances led to unemployment and our present bankruptcy and for this reason the services on our foreign debt cannot be paid.

Regarding this, Commander Tirado noted that the National Reconstruction Government will pay the debts left by Somoza's corrupt regime as a way of demonstrating that this government fulfills its commitments.

Commander Tirado said the trip to Mexico, Washington, New York, Chicago, Madison, Boston, San Francisco and New Orleans had represented hard work and had included a very tight agenda.

During the trip, meetings were held with the officials of the banks to which the National Reconstruction Government owes money as well as with workers, groups of solidarity with Nicaragua, businessmen, government officials, congressmen, university students and newsmen.

"It was an exchange of ideas, what they think and what we think about them. It was hard work, but very good. We clarified many mistaken ideas," Commander Tirado said in conclusion.

RAMIREZ EXPLAINS NEW MINISTRIES, CABINET MAKEUP

PA290007 Managua Domestic Service in Spanish 1815 GMT 27 Dec 79 PA

[Speech by Sergio Ramirez, member of the Junta of the Government of National Reconstruction, during a meeting at the Government Palace in Managua to announce the new cabinet--live]

[Text] In view of the needs of the 1980 economic reactivation plan and in view of the urgency of the revolutionary process, an administrative reorganization has been made within the Government of National Reconstruction which becomes effective immediately and which we will have an opportunity to comment on during the first week of January 1980.

This reorganization basically involves the economic area of the government's national reconstruction and the production system that is in the hands of the Government of National Reconstruction. Our interest is to make the administrative apparatus more effective and operational and to more rationally distribute the functions that have to do with economic regulation and economic production.

Basically, we are considering the existence of the new reality in Nicaragua: This reality is that a considerable portion of the production apparatus and the services are in the hands of the people, in the hands of the state, following the victory of the Sandinist popular revolution, and that it is necessary to execute a properly planned economic policy, with the participation of the public sector of the economy, the sector of the people, and the private sector of production and services.

Therefore, the basic changes in the economic area consist of the creation of an Industries Ministry, which is separated from the old Ministry of Industry and Commerce which , within the traditional mold, merely had a regulating function. This Ministry of Industry now directs sectorial planning of investment, industrial production in Nicaragua and the overall industrial policy of the entire nation. It also manages, with the rank of deputy ministry, the People's Industrial Corporation [Corporacion Industrial del Pueblo], which contains all the industries expropriated from the [Somoza] family and its accomplices and which are extracted from the old national trust sector.

In this industry sector, there will also exist a National Industry Council [Consejo Nacional de la Industria] which with the rank of general adviser, will orient the nation's industrial investment policy. All the nation's productive forces in the field of industry will be represented in this council.

By dividing the old Ministry of Industry and Commerce, we create the Ministry of Domestic Trade [Ministerio de Comercio Interior], which will have the basic function of regulating and controlling everything referring to the supply of basic consumer goods and the regulation of the prices of these same goods and services.

Within this sector, we will also create a National Council for the Defense of the People's Economy [Consejo Nacional de Defensa de la Economia Popular] which will have the duties of regulating prices and supplies in addition to controlling the policy that refers to all of the nation's internal commerce, mainly the distribution of basic goods. Also with a rank of deputy ministry, we create the People's Commercial Corporation [Corporacion Comercial del Pueblo], which will contain the commercial enterprises under the old trust and others that have to do with the distribution of food and basic goods to the population.

It will include the Nicaraguan Basic Foods Enterprise [ENABAS], the national supermarkets, the wholesale centers and all the government offices and enterprises of the nation that have to do with the distribution and control of all types of basic consumer goods.

The creation of the Domestic Trade Ministry is a great challenge for the revolutionary state since, within next year's economic reactivation plan, the adequate distribution of basic goods and the regulation of the price of these basic goods is one of the Nicaraguan revolution's highest goals. That is why we attach great importance to the creation of the Ministry of Domestic Trade, which , along with the Foreign Trade Ministry, will fulfill direct functions in the field of controlling the exportation of basic, traditional Nicaraguan products.

In order to consolidate what we call the area of people's property, which will contain the People's Industrial Corporation and the People's Commercial Corporation, we are also creating the Nicaraguan Fishing Institute [Instituto Nicaraguense de la Pesca] with the rank of ministry of state, which will be charged with regulating production and everything connected with exporting the fish caught off Nicaragua in the two oceans.

Also with the rank of ministry of state, the Nicaraguan Mines Corporation [Corporacion Nicaraguense de Minas] will now be called the Nicaraguan Mines and Hydrocarbons Corporation [Corporacion Nicaraguense de Minas e Hidrocarburos] because it will also be in charge of everything related to the exploration and potential for exploitation, not only of metallic mineral mines and other kinds of mines in Nicaragua, but also of petroleum deposits, the deposits of hydrocarbons that potentially exist in the nation. This mines corporation is going to direct all policy on minerals and petroleum in Nicaragua.

In this sense, we are also preparing for one of the sectors which, along with fishing, we consider of the greatest potential in the nation's economy. We are preparing to give it the importance which it will have for the national economy and for the nation's exports in the future.

In the area of services, we are creating a new ministry, the Ministry of Constructions [Ministerio Construcciones] which results from the division of the Ministry of Transportation and Public Works, a ministry which because of the complexity and number of its duties had become too burdensome. We have a Ministry of Transport [Ministerio de Transporte], which will have the duties of regulating transport and controling state transportation enterprises through a Peoples' Transport Corporation [Corporacion de Transporte del Pueblo], which will be charged with the administration of the national shipping line, the national airline and all the land transportation enterprises, since land transportation will have great growth in the next few months, the urban bus transportation, freight transportation and also railroad transportation, which will also increase greatly in its activities in accordance with the revolutionary government's plans within the next few months.

In addition, the Ministry of Construction will take charge of general [word indistinct] for the entire state, for all construction work in the nation in all the sectors of construction. It is a ministry to which the revolutionary government, the Government of National Reconstruction, also attaches great importance in order to be able to rationalize in the future all the services connected with the construction of schools, hospitals, clinics, highways, and so forth.

In conclusion, in the area of state security and in the area of national defense, we have consolidated the Ministry of Defense as the true ministry of the Armed Forces of Nicaragua. Therefore, from now on, the Sandinist People's Army, with all of its branches, will be the Ministry of Defense.

To close this explanation, I wish to refer to perhaps the most important branch, which I had forgotten to point out at the beginning. This is the area of farming and livestock production.

We believe that with regard to the policy of national farming and livestock production it is necessary to have a single orientation, a single direction. Hence there is a need to merge the Ministry of Farming and Livestock Development with the Nicaraguan Agrarian Reform Institute in order to move ahead with the unified policy. This will be a ministry that will take charge of directing sectorially the planning of the nation's farming and livestock development, of carrying out the nation's farming and livestock policy. There will also be a National Farming and Livestock Council [Consejo Nacional Agropecuario] in which all of the productive forces of the nation will be represented, from both the private and public sector. This ministry will effectively take charge of the direction of the nation's farming and livestock policy and will include the Nicaraguan Agrarian Reform Institute. It will execute all policy concerning farming and livestock research and the direction of national farming and livestock policy.

OFFICIAL DESCRIBES NEW FOOD MINISTRY, FOODSTUFFS SHORTAGES

PA262303 Managua EL PUEBLO in Spanish 21 Dec 79 pp 1, 8 PA

[Text] Emiglio Suarez, public relations official of the Foreign Trade Ministry, has reported that the Nicaraguan Basic Foods Enterprise [ENABAS] will become the Foreign Trade Ministry [as published] next year in view of the important role it has played in the domestic marketing of grains.

ENABAS' sales volume since the beginning of the revolutionary government has been substantial. Its sales totaled 4 million cordobas in September, 17 million cordobas in November, and are expected to reach 30 million cordobas next year. For this reason, it is felt that it would be advisable to make it a ministry.

Suarez said price control can only be exercised to the extent there is a supply of products. There are foodstuffs in Nicaragua, but they have been hoarded. However, technical and legal studies are being conducted to determine the penalties to be imposed for hoarding. In addition, a special police force will be created. It will operate as a treasury police to fight smuggling and speculation.

There Is Salt But It Has Been Hoarded

Suarez said salt was also hoarded. Hoarders grabbed the entire supply of salt during the food crisis and drop in production. However, all these matters are under investigation to determine where the salt is and who the speculators are in order to punish them accordingly.

The importation of eggs has not been a traditional feature of our domestic trade. However, until production returns to normal, ENABAS has decided to import eggs from Cuba, which is now sending 36,000 a day. These shipments are creating a scarcity of eggs in that country. Nicaragua's consumption is 840,000 eggs daily, and most are used by bakeries. This is necessary to guarantee an adequate supply of bread.

All these problems will be tackled by the new ministry through a Commerce Directorate. However, the industries section will operate independently.

FSLN LISTS GOALS FOR 1980 IN END-OF-YEAR MESSAGE

PA020313 Managua Radio Sandino in Spanish 1800 GMT 1 Jan 80 PA

[End-of-year message issued by the Sandinist National Liberation Front National Directorate--read by announcer]

[Text] From: The Sandinist National Liberation Front [FSLN] National Directorate;

To: The Nicaraguan People:

It was never easy to achieve total victory in the fight for the defense of the great revolutionary ideal but we are sure that the people shall overcome, Carlos Fonseca said.

At the close of 1979, a year in which the people overthrew a criminal regime which destroyed Nicaragua and which was imposed by foreign intervention, the FSLN National Directorate pays a respectful and emotional homage to our heroes and martyrs, popular combatants, militants and leaders of our organization who made the revolutionary victory possible by shedding their generous blood.

The overthrow of the dictatorship and the victory of the Sandinist popular revolution is the starting point of a new history and the beginning of a profound, serious and irreversible revolution.

In 5 months, we have organized a new administrative apparatus, taken many measures for the benefit of the country, decreed laws aimed at changing a disgusting past and converted it into a present full of hopes and a future filled with a new and abundant light.

In 5 months, amid great limitations, the Government of National Reconstruction, the Nicaraguan people and their vanguard, the Sandinist National Liberation Front [FSLN], have acquired a new historical experience by organizing the Sandinist Peoples Army, the Sandinist police and the security corps of the revolutionary state. This has been an extraordinary example of organization, discipline and sacrifice and has increased their power to defend the revolution. They have also strengthened the vanguard of the people and the revolution--the FSLN--and the mass organizations: The Sandinist Workers Central, the Farm Workers Association, the Sandinist defense committees, the Luisa Amanda Espinosa Association of Nicaraguan Women, the Luis Alfonso Velasquez Sandinist Children's Association and the Sandinist youth.

We approach 1980 with clear awareness of the great and difficult tasks aimed at defending and consolidating the revolution and providing answers for many social problems which are part of what we inherited from the past. The indestructible unity of the FSLN and the people is the fundamental guarantee that the problems we are facing will be solved with the same energy and devotion with which we solved the problems of the war. Nineteen-eighty is also the year of liberation, dedication to work, discipline, national unity, war against ignorance, economic planning and reaffirmation of our national sovereignty. Regardless of the great work necessary to achieve literacy, we must accept the challenge of economic reactivation of laying the groundwork for a production which benefits the people, reconstructing the country and correctly channelling the state and private production through a planned and responsible guidance.

Stamping out illiteracy means ridding our workers and peasants of the ignominious oppression of ignorance. Economic reactivation represents a war against malnutrition and poor health and a solution to the basic needs of our people and, at the same time, a solid takeoff toward economic development.

The vigorous efforts of our workers, peasants and youths, the exceptional heroism of our women and our mass organizations and the stanch determination of the FSLN and the Government of National Reconstruction to remain firm in the face of difficulties will make the fulfillment of the 1980 plans possible.

Along with the workers and peasants, the patriotic technicians and businessmen, with the FSLN at the head, with the support of our Christian church and the international solidarity of all nations, we will overcome today's enemies as we overcame yesterday's enemies. We want to reconstruct our country in peace but we are ready to shed the last drop of blood to defend the people's victory and take our revolution to its ultimate goals.

Inspired by the memory of Carlos, Sandino and all the glorious martyrs of the fatherland, with optimism, new splendor and absolute confidence in the future, let us again pledge before our heroes and martyrs to be faithful to our victorious slogan of "Free Fatherland or Death!"

PLANNING MINISTER REPORTS ON PRIVATE BUSINESS ROLE IN 1980

PA291449 Managua Radio Sandino in Spanish 1200 GMT 29 Dec 79 PA

[Text] Nicaraguan Planning Minister Commander Henry Ruiz has said the role of private business in 1980 will be to produce increasingly more goods. The new planning minister said he admits he is a plain soldier of the revolution, but as a guerrilla he is confident he will do his job well. He said the demands of private business are being attended to.

He reported that private businessmen have asked for legal and economic guarantees, and the government is already responding. He added that the demands of the cottongrowers are also being met. Nicaragua's current problem is basically production. Private business has to produce increasingly more goods to contribute to the revolution and help tackle the large foreign debt, he added.

The new planning minister said the economic recovery plan for 1980 will be disclosed in full. He noted that the plan will be fully disclosed so everyone will know what he has to do for the plan to be implemented. He said it is expected economic growth in 1980 will be lower than in 1978. However, he cannot quote figures or percentages at this time. He added that the government will be careful in its foreign exchange spending to save as much as possible. He said the major challenge facing the government next year will be to reduce the high inflation rate by at least 4 percent.

Commander Ruiz told newsmen that the government will try to control the flow of money in 1980 to prevent higher inflation. He said he does not favor pay raises because that would increase the flow of money and raise inflation. However, he said the net pay should be consolidated by making basic services such as food, housing, health and education cheaper. Another matter to be tackled in 1980 is the high unemployment rate. Efforts will also be made to lower the deficit in the balance of payments considerably by increasing production and saving large amounts of foreign exchange.

EL PUEBLO ACCUSED OF BEING 'COUNTERREVOLUTIONARY' BY ORTEGA

PA272345 Managua EL PUEBLO in Spanish 21 Dec 79 p 5 PA

[Text] Two members of this paper's reporting and photography section were prevented from covering the National Assembly of the Farm Workers Association (ATC) held yesterday at the Ruben Dario People's Theater by a member of the ATC and by the impulsive Commander Daniel Ortega Saavedra.

We presented our press cards as usual, but the doorman asked for special documents issued by the ATC and said that for reasons of "security" he could not allow just anyone to enter. We left after having talked to the doorman for approximately 10 minutes. We ran into Sergio Ramirez and Daniel Ortega, members of the Junta of the Government National Reconstruction and who were arriving for the ceremony, and asked why EL PUEBLO could not attend the inauguration of the assembly. Ramirez said that it was up to the members of the ATC to extend the invitations. For his part, Commander Ortega said bruskly, without thought or reflection, that EL PUEBLO is a "counterrevolutionary" newspaper financed by foreign powers, whereupon we asked why he had not presented evidence against the paper publicly. We believe that when an alleged representative of the workers speaks, he should do so with sincerity and not make unfounded charges against a proletarian newspaper like ours.

Ortega has been ranting publicly against EL PUEBLO for several months, but has been unable to present proof of his statements, because such proof does not exist. We have publicly expained the newspaper's position in response to all of Ortega's infamous and malicious interpretations. Ortega apparently likes to talk without basis. It is necessary to think before one speaks, commander, since a revolutionary with a high post, such as that of leading and guiding our people, cannot go about lying in public.

Ortega's Accusations Challenged

PA290220 Managua EL PUEBLO in Spanish 22 Dec 79 pp 1, 2 PA

[Editorial: "To Daniel Ortega and the People"--passages in capitals published in boldface]

[Text] Daniel Ortega Saavedra tried to justify his decision to keep our newspaper from covering, just like any other information medium, the event held by the Farm Workers Association [ATC]. This is not the first time that he has given us this treatment. We simply believe that no one has the right to believe that he is a demigod so that he can consider as his own private property events which may be of interest to the Nicaraguan people.

This is not a matter of whether or not we have the right to cover news produced in government circles because they are no one's exclusive right. This would be the same as asking if the people have the right to be informed from the class, proletarian point of view, at a time when the bourgeoise press acts freely. Our points of view are those of the working class and the rest of the exploited masses and we will not change in this respect. What we will not accept, as we have rejected before, are certain types of slander which lack any political sense and are very close to gossip and contradictory remarks.

Ortega Saavedra has again repeated his refrain that this newspaper is "counterrevolutionary" and "financed by foreign powers." We are tired of asking him to present proof or concrete evidence to support his charges. We are not going to request protection. We only want to emphasize that Daniel Ortega is contradicting the Sandinist National Front Directorate, Cmdr Tomas Borge and Cmdr Jaime Wheelock, who have rectified their previous attitude toward our newspaper. Cmdr Tomas Borge denied, after we publicly asked him to do so, that he had made such charges. This time we publicly dare Daniel Ortega Saavedra to present, before the working class to whom we are indebted, evidence to prove his charge that this newspaper is financed by foreign powers and is counterrevolutionary.

Ortega Saavedra must not say that this paper is seeking financial help from foreign powers. This is a slander of the proletarian effort involved in producing this newspaper.

Was it not Daniel Ortega Saavedra who said at the Latin American chambers of commerce assembly that the Sandinist National Liberation Front [FSLN] received finances from the Costa Rican and Venezuelan bourgeoisie? He even said that this happened before the FSLN received economic support at home. [paragraph continues]

AT THAT TIME WE FOUND ECONOMIC AID, NOT FROM NICARAGUAN CAPITALISTS, BUT FROM COSTA RICAN AND VENEZUELAN CAPITALISTS (Daniel Ortega Saavedra, Thrusday, 13 December; see LA PRENSA, Saturday 15 December). Yet we, in spite of Ortega's confession, have not accused the FSLN of being "counterrevolutionary" or of "being financed by foreign powers," terms commonly used by some government leaders, especially Saavedra, when referring to this newspaper and revolutionary organizations differing from the FSLN.

WE REPEAT THE CHALLENGE TO DANIEL ORTEGA SAAVEDRA TO SHOW THE NICARAGUAN PEOPLE IN AN HONEST MANNER THE TRUTH OF HIS ACCUSATIONS BY PRESENTING CONCRETE EVIDENCE AND NOT ALLEGED OR INVENTED PROOF. IF HE DOES NOT DO SO, HE WILL BE REVEALED AS A LIAR BEFORE THE NICARAGUAN PEOPLE AND BEFORE THE WORKING MASSES WHOM WE ASK TO SERVE AS WITNESSES TO OUR CHALLENGE.

CORRECTION TO ANNOUNCEMENT OF CABINET APPOINTMENTS

The following corrections are provided for the item subtitled "Ramirez Reads Appointments" published in the 28 December Latin America DAILY REPORT:

Page P 3, paragraph two, line one, "Paul Atha Ramireaz" should read "Paul Atha Ramirez."

Page P 4, paragraph one, line three, "(Angel Navarro Deshong)" should read "Angel Navarro Deshon."

Page P 4, paragraph one, line five, "(Antenor Ferrey Pernudio)" should read "Antenor Ferrey Pernudi."

Page P 4, paragraph five, line one, "Edgar Macias" should read "Edgard Masias."

Page P 4, paragraph six, line one, "Carlos Tunnerman Berheim" should read "Carbos Tunnerman Bernheim."

Page P 4, paragraph six, line two, "Miguel de Castilla" should read "Miguel de Castilla Urbina."

Page P 4, paragraph nine, line one, "Cesar Amador Khul" should read Cesar Amador Kuhl."

Page P 4, paragraph thirteen, line one, "(Emilio Balsodano Pallais)" should read "Emilio Baltodano Pallais."

Page P 5, paragraph one, line one, "(Alfredo Alamis)" should read "Alfredo Alaniz."

Page P 5, paragraph five, line one, "(Reynaldo Pepin)" should read "Reynaldo Antonio Tefel."

Page P 5, paragraph five, line two, "(Edgar Carrales)" should read "Edgard Parrales."

Page P 5, paragraph eight, line one,"(Alejandro Cardenal Balberri)" should read "Alejandro Cardenal Caldera."

Page P 5, paragraph nine, line one, "Alvaro del Prado" should read "Alvaro Delgado."

Page P 5, paragraph twelve, line two, "(Alejandro Castillo Matush)" should read "Alejandro Castillo (Macis)."

Page P 5, paragraph twelve, line five, "(Manuel Andara Ubega)" should read Manuel Andara (Ubeda)."

Page P 5, paragraph twelve, line eleven,"(Isidro Leon Yerbo)" should read Isidro Leon York."

Page P 5, paragraph twelve, line twelve, "(Rodolfo Abauca Salinas)" should read "Rodolfo Abaunza Salinas."

FOREIGN MINISTER REJECTS SHARING OF UN SEAT

FL291310 Havana Domestic Service in Spanish 1100 GMT 29 Dec 79 FL

[Text] Cuba yesterday reiterated that it will not accept sharing the UN Security Council seat with Colombia because this would represent a return to a harmful tactic that affects the right of other states to be elected to UN organs.

Cuban Foreign Minister Isidoro Malmierca made the statement at the UN General Assembly during a debate concerning the current stalemate. The General Assembly yesterday was unable to elect the Latin American member that will hold the nonpermanent seat in the Security Council next year.

Malmierca was responding to statements made by Colombian Ambassador Indalecio Lievano to the effect that his country was willing to share the [2-year] term and that the General Assembly should decide which of the two countries, Cuba or Colombia, would take the seat first.

CPSU CENTRAL COMMITTEE MEMBER TOURS CAMAGUEY PROVINCE

FL291839 Havana Domestic Television Service in Spanish 1800 GMT 29 Dec 79 FL

[Text] Nikolay Baybakov, member of the CPSU Central Committee, deputy chairman of the USSR Council of Ministers and chairman of the Gosplan, toured Camaguey Province with the delegation that accompanied him on his visit to our country.

The visitors were received at the Camaguey air terminal by Diocles Torralba, member of the party Central Committee and vice president of the Council of Ministers; Lazaro Vasquez, party first secretary in the city of Camaguey; Marcos Lage, minister of the sugar industry; and other officials.

Humberto Perez, member of the party Central Committee and president of the Central Planning Board; Jose Lopez Moreno, vice president of the Council of Ministers and minister of construction; and Lester Rodriguez, minister of the iron and steel machinery industry, accompanied the high-level delegation on its visit to the Batalla de las Guasimas sugarmill under construction at the Camaguey municipality of Vertientes. The visitors were informed that construction of the new sugarmill is 90-percent complete thanks to the hard work of the team that is working on it.

Economic Relations Discussed

FL291302 Havana Domestic Service in Spanish 1100 GMT 29 Dec 79 FL

[Text] Commander in Chief Fidel Castro, president of the councils of State and Ministers, has attended the signing of minutes of the talks held between Nikolay Baybakov, deputy chairman of the USSR Council of Ministers and chairman of the Gosplan, and Humberto Perez, vice president of the Cuban Council of Ministers and president of the Central Planning Board. The first secretary of our party was accompanied by Army Gen Raul Castro, second secretary of the party and first vice president of the councils of State and Ministers.

Current economic relations between the two countries and the status of work to coordinate plans for the next 5-year period were examined in the talks which Nikolay Baybakov and Humberto Perez held from 19 to 28 December. They also examined ways to undertake future joint studies of economic development in Cuba and Cuban-Soviet economic integration.

After the signing ceremony, Humberto Perez said [economic] cooperation and integration with the USSR is the only means to find solution to the problems of an underdeveloped country like ours. For his part, Nikolay Baybakov said that as representative of the CPSU Central Committee, Council of Ministers and Gosplan, he followed guidelines of the Soviet party and government to expand ties with this beautiful island of liberty.

POLICE CRACK DOWN ON ANTIGOVERNMENT LEAFLETS

PA282308 Madrid EFE in Spanish 0125 GMT 28 Dec 79

[By Angel Antonio Garcia Munoz]

[Text] Havana, 27 Dec (EFE)--A wide-ranging police operation carried out in the past few days has resulted in the arrest of many persons and the uncovering of the printshop that was printing leaflets attacking the government. According to what well-informed sources have told EFE, many persons were arrested in the streets and in homes and many leaflets that had not been distributed yet were found. Although there is no official report on this and the Cuban news media has not mentioned the subject, the sources told EFE that everything is part of a campaign promoted from abroad.

The first indications that something was happening occurred approximately 10 days ago when many leaflets and painted posters attacking the government and making comparisons with the Fulgencio Batista era appeared. According to the sources, at first it was believed that the matter had no importance but the police authorities began to get concerned when leaflets continued appearing in various parts of the city. Then the night watch in the streets of Havana was increased and some committees for the defense of the revolution met urgently to discuss the indiscipline that had taken place during night watches.

At the end of last week it was noticed that there were three persons watching every block from 2300 to 0500, police patrol cars were patrolling with the lights off and that patrolmen were asking many people for their identification papers. Last Friday, the Revolutionary National Police with the support of state security agents of the Interior Ministry and other agents carried out a huge raid that began at 2200. The raid was repeated on Saturday and again on Sunday.

There are different reports about the number of suspicious persons arrested in the streets or in their homes and there is no report on the number of persons under arrest at this moment. Unofficial sources have told EFE that some of the arrested are young persons who were carrying leaflets that were to be distributed in some Havana neighborhoods.

Many persons with prison records for illegal political activities have been arrested in their homes and others have been summoned. The Havana streets are empty after 2300 because the most important raids have taken place around that time.

Semiofficial Cuban circles have commented that the reason for the intense police search for identification papers is that it is suspected that some persons have illegally entered the island. In a school it was discovered that 2 boys approximately 12 years old had been writing posters attacking the economic situation to later distribute them in classrooms. Semiofficial sources insist that all this is part of "a campaign prepared abroad" and "promoted" by the trips of some members of the Cuban community abroad to Cuba.

DEVELOPMENT PLANS PRESENTED TO NATIONAL ASSEMBLY

FL281854 Havana Domestic Service in Spanish 1800 GMT 28 Dec 79 FL

[Excerpts] The People's Government National Assembly last night concluded its second regular session of 1979 and among the resolutions taken it was decided to declare 1980 year of the second party congress.

The law on a single economic and social development plan of the state for 1980, presented by Deputy Humberto Perez, president of the Central Planning Board, was among the agreements reached at this session.

Perez stressed in his remarks that despite difficulties over the past few years we have made noteworthy advances. For example, in 1979, the gross social product grew approximately 4.5 to 5 percent; the biggest sugar harvest in history since that of 1970 was achieved, with a production of almost 8 million tons of sugar; generation of electricity grew almost 12 percent over that of 1978; machinery production increased 15 percent; and bus production grew 25 percent over the previous year's production.

Humberto Perez also stressed that according to plans, approximately 400 or 500 more buses will be delivered during the new year and that, along with other measures being taken, it is expected that there will be substantial improvement of transportation service to the people.

He also noted production increases in railroad cars, sprinkler irrigation systems, batteries, radio receivers and other commodities such as fertilizers which increased 18 percent. Perez referred to the increase in milk and citrus production which grew 13 and 15 percent, respectively. He said that in the construction sector a total of 67 industrial projects were completed. These included the Maximo Gomez thermoelectric plant in Mariel and the Carlos Manuel de Cespedes thermoelectric plant in Cienfuegos.

Forty-three day care centers, 20 primary schools, 105 intermediate-level schools of which 52 are boarding schools, 2 new hospitals, 13 polyclinics and 2 dental clinics were completed in 1979.

Humberto Perez emphasized that in the retail trade, sales to the population increased 5 percent over the previous year although it has been a year of various difficulties which have caused economic activity to be waged in a complex manner with several unfulfillments.

He said that taking into account internal difficulties and those concerned with efforts in the foreign market, the single economic and social development plan for 1980 has been drafted with the purpose of achieving a 3-percent growth of the gross social product. Priorities in some sectors have been taken into account in the plan, particularly food for the population as well as medicine supplies and medical care.

A constructive repair and maintenance plan will be undertaken which, as a whole, will entail a growth of 74 percent and its total value will amount to approximately 290 million pesos.

Construction policy in 1980 will be aimed at the completion of projects already begun, with some 90 projects expected to be completed. These include the Cienfuegos cement plant, unit four of the Rente thermoelectric plant, expansions of Antillana de Acero, a farm tools factory in Holguin, a bottle factory in Las Tunas, a (clororosa) factory in Santa Clara, and other important works. Four hospitals, 15 polyclinics, 5 dental clinics, 5 new homes for the elderly and 5 homes for the handicapped will be completed, and the number of hospital beds will be increased 3 percent.

DOMINICA

CIVIL SERVANTS ON SICK-OUT; DOUGLAS RESIGNATION DEMANDED

FL271825 Kingston Domestic Service in English 1730 GMT 27 Dec 79 FL

[Text] In Dominica, hundreds of civil servants stayed away from their jobs today demanding salary increases and the resignation of Finance Minister Michael Douglas. The sick-out and picketing of government headquarters in Roseau comes 1 day before the resumption of parliamentary debate on the $61.3-million 1979-1980 budget. The workers have complained that the budget contains no provision for pay increases to government's more than 2,000 employees. They say they are particularly concerned that the interim government had not honored an agreement reached at mid-year between the former administration of Patrick John and the Civil Service Association for increased pay. The civil servants said in a letter that the sick-out would last for 2 days and that this action was necessary to demonstrate their displeasure at the fact that no provisions had been made for long outstanding salary increases.

GRENADA

GOVERNMENT REPORTS 'USEFUL' TALKS WITH LIBYAN TEAM

FL311445 Bridgetown ADVOCATE-NEWS in English 25 Dec 79 p 3 FL

[Text] St. George's, Grenada, Monday, (CANA)--The Grenada Government today detailed the areas of discussions it has just had with Libya but its two-page statement mentioned no aid agreement being reached between the two sides.

The discussions between Grenada's People's Revolutionary Government [PRG] and a four-man delegation headed by director-general of the Libyan economic department, Muftah Sherif, covered airport development here, the hotel industry, transportation, water supplies, agro-industries, and the textile and garment manufacturing industries.

The Libyans arrived here in mid-December for a two-day visit in a follow-up to talks Prime Minister Maurice Bishop had with the Libyan delegation at the non-aligned summit in Cuba earlier this year, and a trip to Libya by Selwyn Strachan, minister of communications and works and labour, in June-July.

The PRG, which described the talks as "useful", said the two parties discussed areas of possible assistance in a new airport to be built here shortly at a cost of us $18.5 million.

"Libya, being a major producer of oil can make a significant contribution by supplying dieseling, which is vital for the completion of the airport", the PRG said.

The need to increase rooms in the local hotel industry also received some attention at the meeting. It is the feeling of the PRG that an increase in the number of hotel rooms should coincide with the completion of the international airport. This will speed up the development of the country since the influx of tourists and visitors will be greater at that period", the PRG said.

The Libyans were informed of the extensive damage caused by heavy rains to roads in the country and also the need to improve the water supply system.

"Other areas of talks included the importance of developing agro-industries and the textile and garment manufacturing industries. Development of these will serve to ease the unemployment situation, stimulate the planting of more food and re-activate the dying cotton industry in Carriacou, a neighbouring island administered by Grenada", the PRG added.

"Both the Libyan delegation and PRG members stressed the importance of cultural exchanges between the two countries and the need to share the experience of struggles of both people."

The Libyans also visited processing plants around the country.

JAMAICA

MANLEY SEES PROMISING OUTLOOK IN BAUXITE, ALUMINA

FL011850 Kingston Domestic Service in English 1830 GMT 1 Jan 80 FL

[Text] Prime Minister Manley has noted that the current outlook in the bauxite and alumina industry is more promising than it has been for 2 or 3 years now and has identified this industry, along with tourism, as holding much hope for the economy during this year.

In his New Year's message, Mr Manley said the renegotiation of the bauxite levy opened doors to possibilities of expansion of the multinational companies locally [words indistinct] year. As regards the tourism sector, the prime minister said if it could bring in the projected 644,000 visitors this year, then the country stands to gain some $201 million.

At the same time, however, Mr Manley pointed out that the cost of servicing overseas debt and the paying for imported oil leave very little for the purchase of food, drugs, fertilizers and other vital imports. In view of this, the prime minister added that the country's economic strategy has to be focused on increasing production to feed ourselves and to move from the consumption of imported basic foods. Mr Manley also urged Jamaicans to fight against fatalism and join in the common struggle for working in the nation's interest.

EDWARD SEAGA SAYS ECONOMIC PROSPECTS GRIM

FL011859 Kingston Domestic Service in English 1830 GMT 1 Jan 80 FL

[Text] Opposition leader Edward Seaga says that the new year begins with economic prospects so grim in outlook that hopes are likely to be dashed from the beginning. In his New Year's message, Mr Seaga said that in this climate it would be easy for people to dissolve in angry frustration. To avoid this situation, the opposition leader said 1980 must be a year of decision as for too long the problems which are the root source of discontent have been sidestepped and avoided. According to Mr Seaga, 1980 must be a time for rejecting those allegiances which are based on the wrong interpretation of the Jamaican [word indistinct] which sees the individual as a tool of the state for the betterment of the state and not as an instrument to advance his own welfare and that of his family.

INCREASING NUMBER OF POLICE RESIGNATIONS REPORTED

FL311752 Kingston Domestic Service in English 1730 GMT 31 Dec 79 FL

[Text] A total of 155 policemen resigned from the force this year as against 96 in 1978.

According to information released in the latest issue of the POLICE MIRROR, the police planning and research division has been mandated by the commissioner to investigate the cause for the increasing number of resignations.

Commissioner Campbell attributed the exodus from the force to the fact that a number of policemen seemed to have acquired United States visas for permanent residence. And the MIRROR, which is the official organ of the force, also disclosed that 83 policemen were dismissed from the force this year, compared with 40 last year. Commenting on the high rate of dismissals, the head of the planning and research division, Superintendent (Harold Cooke), said there was need for a more conciliatory approach in dealing with delinquent policemen. The planning division is to make its report on the situation to the commissioner by February.

ST LUCIA

LOUISY SAYS HE WILL NOT STEP DOWN AS PRIME MINISTER

FL291435 Bridgetown ADVOCATE-NEWS in English 22 Dec 79 p 1 FL

[Excerpts] Castries, St Lucia, Friday, (CANA)--Saint Lucia's Prime Minister Mr Allan Louisy, facing a challenge to his leadership of the Labour Party government from his deputy, says he has no intention of stepping down, or asking the governor general to dissolve the House of Assembly.

Mr. Louisy's statements are contained in a letter to five of the party's members in the 17-member House who wrote him earlier this week pledging support for Deputy Prime Minister Mr. George Odlum as leader of the government.

Prime Minister Mr. Louisy reportedly promised his deputy shortly after the party's landslide elections victory in July that he would step down in six months time.

The prime minister was given an overwhelming vote of confidence by the party's central executive a week ago and plans to remain in office.

In replying to a critical letter from Agriculture Minister Mr. Peter Josie, he said that he was not clear as to the purpose of the letter signed by the five MPs and added that the issue of the prime ministership had been settled by the party's central executive committee.

That was the body to which each of them had submitted applications for membership of the party, and which just prior to the last general elections, at which they were all returned, had selected and approved each as the candidate of the party for the respective constituencies.

The prime minister said that in accordance with the decision of the executive last Sunday "it is my duty therefore to inform you that I shall continue in the post of prime minister.

"In order to dispel rumours which have been circulating locally, I think I should also take this opportunity to inform you and the other signatories that I have never had, neither do I have, any intention of advising the governor general to dissolve parliament. If a dissolution is brought about, it will not be my doing."

Mr. Louisy's letter was addressed to Mr. Josie whose name appeared at the top of the list of the five who said they were supporting Mr. Odlum.

Copies of the PM's letter were also sent to the other four parliamentarians, Mr. Odlum and the media.

BRAZIL

GOVERNMENT TO SEEK CLOSER TIES WITH ARAB COUNTRIES

PY311709 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Dec 79 p 4 PY

[By Walder de Goes]

[Excerpts] Over the past weeks, Gen Golbery do Couto e Silva has been discussing with some select persons alternatives for a Brazilian policy of closer contacts with Arab countries. In return for a policy oriented toward the Arab countries, Brazil would expect privileged oil prices and increased exports of goods and services to reduce Brazil's deficits in current accounts with oil-supplying countries.

Increased contacts with the Arabs would mean making Brazilian foreign policy even more pragmatic. The great principles guiding international coexistance are important, but Brazilian foreign policymakers think that they must give way to a policy mainly dictated by the difficult economic situation the country is experiencing. Along this line, reducing oil accounts would be a paramount objective of Brazil's foreign policy. Consequently, installation of a PLO office in Brasilia would not be considered too high a price, so it will be authorized, although paying this price might still not be enough. Therefore, even if there is not as yet a fully defined program, Brasilia is thinking of "Arabizing" its foreign policy mainly in three directions:

1. Conducting foreign policy actions. This includes votes cast at the United Nations to suit Arab interests, even in regard to the Palestinian question. This directive may require Brazil to reduce commitments to the Israeli cause, thus affecting U.S.-Brazilian relations;

2. Intensifying bilateral and multilateral contacts with Arab oil-producing countries; trying to gain their confidence by fostering personal relations between Brazilian authorities and Arab leaders; and

3. Raising the importance of Brazilian embassies in oil-producing countries to the geostrategic importance granted to some embassies in large Latin American countries, for instance. The appointment of Gen Samuel Alves Correa as Brazilian ambassador to Baghdad has that objective. In addition to the embassy in Baghdad, the personnel at the embassies in Saudi Arabia, Kuwait and Libya will be considerably reinforced in number and quality.

CHILE

PRESIDENT NOTES PLAN FOR 1980 IN YEAREND MESSAGE

PY010111 Buenos Aires LATIN in Spanish 0009 GMT 1 Jan 80 PY

[Text] Santiago, Chile, 31 Dec (LATIN)--The honor and prestige of the Chilean Armed Forces are devoted to culminating the process toward a new democracy, President Pinochet said tonight in a yearend message to the nation. "To achieve this, on this fraternal night, I want to call upon all sons of this land to live in agreement and unity. Let all my fellow countrymen know that, above contingent [contingentes] struggles, this government regards as its enemies only those who are enemies of Chile and the national spirit," he said.

Speaking over a national radio and television network, the chief of state warned, however, that "for this reason, there will never be room for those who oppose our regained Chilean nationalism, those who seek to undermine it again or those who, driven by their negative tendencies, intend to question the government's authority." "Instead, it is our desire to always heal wounds, to correct human errors and to strengthen ties among Chileans to transcend mere ideological disagreements," he added.

He said: "We will continue to advance toward a new, renewed institutional system, without deviating from the set course, but emphasizing modernization in the socioeconomic field to strengthen personal freedom and to advance toward fully guaranteeing equal opportunity to all Chileans."

He stated that the country will begin 1980 with a steadily growing economy, which has doubled its earlier growth rates, and which "has begun to promote greater, tangible well-being for many of our countrymen and increasingly solid prospects for all, without exceptions."

He also announced the implementation of a new social development plan designed to favor the most needy sectors, which will become "the best example of the true social spirit of this government."

He concluded by stating that to face the possibility of an energy crisis, a concern which is shared by all world nations, he has ordered the intensified exploitation of the country's oil deposits and has guaranteed oil supplies from foreign markets, "all of which will permit us to cope with any situation of this kind."

PERU

GOVERNMENT DECREES WAGE INCREASE FOR NEW YEAR

PA311732 Paris AFP in Spanish 1443 GMT 31 Dec 79 PA

[Text] Lima, 31 Dec (AFP)--The Peruvian Government has decreed a general wage and salary increase of 3,000 soles ($12.00) monthly, effective 1 January 1980, based on two laws issued here today. The wage increase, granted to all private and public workers in the country, is to compensate for the high cost of living and to help in economic recovery. However, the workers feel the increase will be superseded by price increases on some basic goods, such as gasoline and bread which, according to various sectors, could be announced tonight.

PCP EXPRESSES SOLIDARITY WITH USSR AFGHANISTAN INTERVENTION

PA010314 Madrid EFE in Spanish 0054 GMT 1 Jan 80 PA

[Text] Lima, 31 Dec (EFE)--The Peruvian Communist Party [PCP] today expressed its solidarity with the Soviet intervention in the recent coup d'etat in Afghanistan. In a communique, the PCP greeted "the heroic struggle" of the Afghan people who overthrew the monarchy in 1978 and started a "democratic change." In line with the USSR stand, the PCP stated that "the struggle of the Afghan people was hindered by constant imperialist interventions and maneuvers aimed at reestablishing the domination of the most reactionary groups in the country.